

**Supplemental Reporting Document
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September 2006 Investment Committee Meeting
(July 2006 Reporting Period)**

Activity Reports

- Alternative Investment Management Program
- Risk Managed Absolute Return Strategies Program
- Real Estate Opportunistic Program



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September 11, 2006

SUPPLEMENTAL ITEM

TO: MEMBERS OF THE INVESTMENT COMMITTEE

I. SUBJECT: Activity Reports

II. PROGRAMS: Alternative Investment Management (AIM)
Risk Managed Absolute Return Strategies (RMARS)
Real Estate Opportunistic (REO)

III. RECOMMENDATION: Information only

IV. ANALYSIS:

Staff from AIM, RMARS, and REO are required to report the status of investment proposals received by their respective program on a monthly basis. Staff from these areas have prepared activity reports for the month of July 2006.

V. STRATEGIC PLAN:

Goal VIII: Manage the risk and volatility of assets and liabilities to ensure sufficient funds are available, first, to pay benefits and second, to minimize and stabilize contributions.

Members of the Investment Committee
September 11, 2006
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VI. RESULTS:

Attached are results containing the status of investment proposals received by AIM, RMARS, and REO.

Matthew Flynn
Division Chief

Anne Stausboll
Assistant Executive Officer

Russell Read
Chief Investment Officer



***** OPEN SESSION MATERIAL *****
AIM PROGRAM
SUMMARY MONTHLY REPORT: PROPOSALS IN PROCESS
REPORT PERIOD: 7/1/2006 TO 7/31/2006

ACTIVITY SUMMARIZED	ACTIVITY FOR REPORT PERIOD	2003	2004	2005	2006 YTD	Since Program Inception
<u>INVESTMENT ACTIVITY</u>						
Investment Proposals Entered	26	298	381	316	159	5940
Declined/Referred/Failed to Materialize	7	206	223	429	77	4670
Deals in Screening	112	298	397	318	159	2954
Due Diligence Reviews	26	25	65	59	36	564

Notes:

- Current YTD information is through the end of the report period.
- Deals in Screening and Due Diligence reviews for the activity report period represent deals remaining in Screening and Due Diligence at the end of the report period. For all other time periods, deals in Screening and Due Diligence represent deals which entered Screening or Due Diligence during that time period.

July 2006

MANAGER ACTIVITY	2001	2002	2003	2004	2005	2006	Since Program Inception
Information Received	88	170	181	59	59	39	596
Declined	34	81	108	12	7	1	243
Screening	48	80	72	45	58	38	341
Full Due Dilligence Review	0	15	1	5	22	41	84
Approved by ARS Board	0	13	1	5	22	41	82
MANAGER AMOUNTS (\$ in millions)							
Funded	\$0	\$485	\$95	\$149	\$783	\$1,202	\$2,713

**Real Estate Investment Office
Opportunistic/International Fund Program
September 2006
(July Activity)**

Fund Name	Date Closed	Product Type	Sector		Allocation Committed	Net Expected Return
Page Mill Properties II	7/28/06	Re-development	Opportunistic		\$100,000,000	12.50%
Market Street	7/28/06	Re-development	Opportunistic		\$100,000,000	16.0%
				Total	\$200,000,000	